

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Animal Services	(2) MEETING DATE 10/25/2016	(3) CONTACT/PHONE Eric Anderson 781-4400	
(4) SUBJECT Request to approve an agreement (Clerk's File) with the Community Foundation of San Luis Obispo County for the establishment of an endowed fund designated as the Community Animal Welfare Fund in the amount of \$310,000. All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board approve an agreement with the Community Foundation of San Luis Obispo County for the establishment of an endowed fund designated as the Community Animal Welfare Fund in the amount of \$310,000.			
(6) FUNDING SOURCE(S) Endowment	(7) CURRENT YEAR FINANCIAL IMPACT \$310,000.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____) <input type="checkbox"/> Board Business (Time Est. ____)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A Date: <u>6/17/2014</u>	
(17) ADMINISTRATIVE OFFICE REVIEW Morgan Torell			
(18) SUPERVISOR DISTRICT(S) All Districts			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Jeff Hamm, Health Agency Director
Eric Anderson, DVM, Animal Services Manager

DATE: 10/25/2016

SUBJECT: Request to approve an agreement (Clerk's File) with the Community Foundation of San Luis Obispo County for the establishment of an endowed fund designated as the Community Animal Welfare Fund in the amount of \$310,000. All Districts.

RECOMMENDATION

It is recommended that the Board approve an agreement with the Community Foundation of San Luis Obispo County for the establishment of an endowed fund designated as the Community Animal Welfare Fund in the amount of \$310,000.

DISCUSSION

On June 17, 2014 the Board approved the acceptance of a bequest from the estate of Greta Kraum in the amount of \$310,000. Mrs. Kraum's intent in making this bequest was to directly benefit the care and welfare of animals in San Luis Obispo County and stipulated that no more than 10% of the gifted funds (\$31,000) be applied toward facility or structural improvements.

Upon acceptance of this gift, a dedicated trust account was established to keep these funds segregated from other donations and Animal Services' revenue. The bequeathed funds have remained in this account while an ad hoc committee was established to explore and review options for their application in a manner which is consistent with Mrs. Kraum's wishes and which will create the most effective and lasting impact.

This committee concluded that the most effective means of achieving this goal would be the establishment of an endowment seeded by Mrs. Kraum's gift. Properly invested, an endowment would generate a substantially higher rate of interest than would otherwise be realized through the Division's existing donation trust account. The Community Foundation of San Luis Obispo is a county-wide community resource for charitable giving and experienced in the management of such endowments. By taking advantage of the Community Foundation's expertise and service, this endowment is expected to generate an investment return that will provide a perpetual funding source while also allowing the flexibility to target a variety of animal welfare needs that may change over time. Those funds will be used to support Animal Services programs and endeavors, which directly benefit the care and welfare of domestic animals throughout the county, provided that they not be applied to any expense which the county would otherwise be legally obligated to fund.

OTHER AGENCY INVOLVEMENT/IMPACT

The Animal Services Division has coordinated with County Counsel and the Auditor-Controller to ensure compliance with government code and County policy. County Counsel has approved this agreement with regards to form and function.

FINANCIAL CONSIDERATIONS

Upon approval, a fund transfer in the amount of \$310,000 will be made from Animal Services' trust fund 5911000000, Account 2601310 to the Community Foundation of San Luis Obispo County to establish the Community Animal Welfare Fund. The fund will be invested and managed by the Community Foundation in exchange for an initial administrative fee of 2.5% of the fund's average daily fair market value. Under the terms of this agreement, a lower administrative fee rate may be assessed as a result of fund balance growth through investment or additional contributions.

A total of 4% of the average net value, as calculated over the preceding twelve quarters, will be made available to spend on qualified programs or endeavors at the end of each year.

RESULTS

Approval of this agreement and establishment of the Community Animal Welfare Fund is consistent with the Board's objective of a livable and well governed community by providing for substantial and lasting contributions to the welfare of animals within our community.

ATTACHMENTS

1. Community Foundation Agreement Clerk's File Statement